

12oz of Hope

Family Member Application & Legal Agreement



Proposed Name of the Program (*subject to 12oz of Hope approval*):

Program Contact Person _____

Address: _____ City, State, Zip: _____

Daytime Phone: _____ Email: _____

Daytime Phone: _____ Mobile: _____

12oz of Hope Family Member Proposal

Please submit only typewritten proposals and include the following items on separate pieces of paper as necessary. Hand-written applications will not be accepted.

1. Define the **NEED** (the 'Why') you propose to address with your program.
2. Please state the **VISION** (the 'What') of your program – a short concise sentence that states what you hope to accomplish.
3. Please state your **MISSION** (the 'How') statement, how you intend to fulfill your vision
4. Please state how you intend to **FUND** your program.
5. Please submit the name, contact info and bio of person who will manage your program (Program Manager).

Statement of Understanding

I submit the preceding proposal for review by the Directors of 12oz of Hope along with the \$349.00 application fee of which \$50.00 is nonrefundable.

I understand that this fee is not tax-deductible as a charitable gift.

I certify that I have read and will comply with the 12 oz of Hope Legal Agreement.

Additionally, if necessary for the proposed program parameters, I hereby authorize 12oz of Hope or an agent of 12oz of Hope to conduct a background check in connection with my application as a Program Manager.

Signature: _____

Printed Name: _____ Date: _____

Please mail this application form along with a check payable to '12oz of Hope' to:

12oz of Hope
39506 N. Daisy Mt Dr. #122-246,
Anthem, AZ 85086

*Please allow two weeks for 12oz of Hope to review this program application.

Legal Agreement



Please sign and initial each page, and then return the document in full to 12oz of Hope with your program application. This Legal Agreement must be signed and returned to 12oz of Hope before your program is approved and commence operations. 12oz of Hope relies on your guarantee to comply with all of the provisions in this Legal Agreement ("Agreement"). The Agreement is designed both to protect the program and 12oz of Hope and ensure compliance with Internal Revenue Code ("Code") section 501(c)(3). Please be sure you fully understand all of these provisions because they are critical to the successful operation of your program, as well as the protection of your program and 12oz of Hope. If you do not understand any of these provisions, please call us to discuss or consult with an attorney. Your signature on this Agreement constitutes acknowledgment that you are familiar with, understand, and shall comply with all provisions.

Introduction

12oz of Hope, Inc. is an Internal Revenue Code section 501(c)(3) public charity whose office is located at 39506 N Daisy Mountain Drive Suite 122-246 Anthem, AZ 85086. This Agreement is between 12oz of Hope and _____ (hereinafter referred to as "you" or "Program Manager").

Program Manager Name:

Street Address: _____ City, State, Zip:

Email: _____ Telephone:

This Agreement sets forth the Program Manager's understanding of and duty to comply with all 12oz of Hope guidelines, policies and procedures ("policies") and the applicable rules and regulations governing the operation of Code section 501(c)(3) organizations as set forth in the Code and applicable regulations, case law, rulings and other legal authority. The Program Manager agrees to adhere to all provisions governing 12oz of Hope programs and their operations, both as set forth in the Agreement and as subsequently determined by 12oz of Hope. In short, this obligation is ongoing and applies equally to rules that 12oz of Hope may impose in the future, in its discretion.

12oz of Hope extends tremendous benefits to your program so that you may:

- expand your reach
- build an internal infrastructure
- ensure federal and state level compliance for nonprofits
- operate as a program of 12oz of Hope with tax benefits to donors

In turn, you must adhere to all of 12oz of Hope's policies and requirements to be successful and uphold 12oz of Hope's standards, ethics, principles, and practices. Additionally, 12oz of Hope must protect itself from liability as you represent 12oz of Hope through your program. The Program Manager must uphold 12oz of Hope's principles of charitable conduct via best management and business practices, and must understand completely 12oz of Hope's policies and requirements. To ensure that these policies are understood fully and completely, the Program Manager confirms his or her understanding that:

Your program is an unincorporated affiliate of 12oz of Hope with no separate or distinct legal standing or status. As a result, you cannot enter into a contract on 12oz of Hope's behalf. Nor can you apply for a state or federal employer identification number because only 12oz of Hope can be the employer.

Initials: _____

Contributions to 12oz of Hope are absolute, irrevocable, unrestricted and unconditional contributions, not subject to any restrictions or to any control by anyone other than 12oz of Hope.

Initials: _____

All present and future rules set forth by 12oz of Hope must be followed. You will be notified of any future rules, with which you must comply. 12oz of Hope reserves the right in its sole discretion to determine future rules of operation.

Initials: _____

Your program must obtain from 12oz of Hope written pre-approval for all events, fundraisers, purchases in excess of \$500.00, etc. pursuant to procedures 12oz of Hope may develop from time to time.

Initials: _____

12oz of Hope must approve in writing all proposed changes in program purpose, mission, status, and operation.

Initials: _____

12oz of Hope must approve in writing any changes in the management of the program because all Program Managers must understand and comply with 12oz of Hope's policies. Additionally, any new Program Managers must be approved by 12oz of Hope and must sign a 12oz of Hope Legal Agreement.

Initials: _____

The Program Manager and 12oz of Hope must communicate regularly to ensure long-term success and to avoid any misunderstandings.

Initials: _____

At 12oz of Hope's full discretion, you may need to submit to a background check to be an approved Program Manager under 12oz of Hope.

Initials: _____

Provisional Program Operations

A probationary period of one year, commencing from the date the program commenced operations, applies to your 12oz of Hope program. During this period, the Program Manager, the program, and all employees must demonstrate to 12oz of Hope they understand and comply with all of 12oz of Hope's policies and demonstrate the value of the program. This determination will be based on activities conducted during the first year the program operates and 12oz of Hope must be provided an End-of-the-Year-Report within 30 days following the end of the program's first full year of operations. This report must describe in detail the program's charitable operations to allow 12oz of Hope to determine whether the program will continue to be affiliated with 12oz of Hope.

Communications

12oz of Hope will endeavor to update and inform you of any changes in its rules and policies. Such communications may be sent to you via e-mail, newsletter, telephone, or regular mail. As the Program Manager, you must update 12oz of Hope with any changes to your mailing address, phone number, or e-mail address. To keep 12oz of Hope's files updated and complete, Activity Reports must be submitted on an annual basis. Activity Reports shall include current program activities, future proposed fundraisers, planned expenses, etc.

Administration

12oz of Hope relies on the Program Manager to promptly submit accurate and itemized requests, with appropriate documentation as required by 12oz of Hope, for reimbursement and payment. All necessary forms are available for use in your Program Packet. As Program Manager, you must fully comply with 12oz of Hope's rules and policies concerning submission of requests for reimbursement and payment, disbursement of funds, deposit of payments and acceptance of donations. All requests for payment or reimbursement must be accompanied by verification and justification for the expense in the form of an invoice or a receipt. **Neither bank nor credit card statements will be accepted.** Please see 12oz of Hope's Disbursement Request Form and Donation Deposit Form for additional information.

Contracts and Accounts

Other than specifically authorized employees of 12oz of Hope, no person is authorized to open any bank accounts, investment accounts, credit card accounts, merchant accounts, service provider accounts, utility accounts, securities accounts, vendor accounts, trade accounts or any other account whatsoever of any type or description in the name of any program at 12oz of Hope and/or in the name of 12oz of Hope. Additionally, signatories on accounts approved by 12oz of Hope can only be officers or employees of 12oz of Hope who specifically have been authorized by 12oz of Hope. The federal tax identification number of 12oz of Hope must appear on all accounts.

Other than specifically authorized officers and employees of 12oz of Hope, no person is authorized to cause any program at 12oz of Hope and/or 12oz of Hope to enter into any contract, lease, purchase, rental, order, loan, extension of credit on account and/or any other oral or written agreement which may subject any program at 12oz of Hope and/or 12oz of Hope to monetary or non-monetary liability, obligation, or indebtedness of any type. If you believe a lease or purchase is needed in connection with

the operation of your program, you may explain your reasons in writing and request 12oz of Hope to authorize the proposed lease or purchase. You must make it clear to any potential lessor, seller, vendor or other person that only specifically authorized officers and employees of 12oz of Hope have the power to enter into a binding commitment—and then only to the extent of available funds allocated to your program at 12oz of Hope (and not the general assets of 12oz of Hope). Additionally, the commitment must be (a) in writing and (b) limit the remedy of the lessor, seller, vendor, or other person to the funds allocated to your program at 12oz of Hope.

Liability

Your program cannot cause 12oz of Hope to be exposed to any liability for injuries or damages as a result of any: (a) negligent act or omission by you or any person related to you or subject to your direction or control; (b) violation of statute, ordinance, rule or regulation by you or any person related to you or subject to your direction or control; or (c) other wrongful act or omission by you or any person related to you or subject to your direction or control. You must disclose to 12oz of Hope all proposed activities of your program so that 12oz of Hope's insurance advisor may determine whether special insurance policies or riders to existing policies are warranted or required. This is part of the ongoing obligation to communicate regularly with 12oz of Hope as to approved and proposed operations.

If you fail to adhere to any of the provisions set forth above, you may cause 12oz of Hope to be exposed to liability, to incur federal corporate income tax for unrelated business taxable income, and/or be subject to legal fees and litigation expenses. Therefore, you agree to indemnify and reimburse 12oz of Hope for all liability, claims, costs, taxes, damages, and expenses to which 12oz of Hope may be subject as a result of a breach by you of any of the provisions in the Agreement, including, but not limited to, those set forth above in the immediately preceding paragraph. Moreover, you agree to pay all legal fees and litigation expenses 12oz of Hope incurs either (a) in defending against any claim, suit, proceeding or matter which arises from or is related, directly or indirectly, to any breach by you of the above provisions or (b) in enforcing such provisions against you, in equity or in law.

Activities

IRS rules and regulations that apply to the activities of Code section 501(c)(3) organizations apply to 12oz of Hope which, of course, includes its programs which are integral parts of 12oz of Hope. A 12oz of Hope program shall not include in any of its materials or web sites any verbiage that could be construed as lobbying or supporting, efforts to defeat any named legislation, or opposing any candidate for elective office. 501(c)(3) organizations are strictly prohibited by federal law from supporting or opposing any candidate for any elective office. This is an absolute prohibition. Moreover, 12oz of Hope programs are prohibited from engaging in either direct or "grass roots" lobbying on legislation or proposals for legislation. If you have a question about whether a proposed communication might be regarded as "lobbying," please let us know and we will review and consider.

Employment

Establishing a program at 12oz of Hope neither results in, nor guarantees employment by 12oz of

Hope or compensation from 12oz of Hope. A charitable contribution deduction either may be reduced or may be barred altogether if there is bargained-for-consideration, sometimes known as a "quid pro quo." 12oz of Hope will consider carefully any proposal for reasonable compensation to be paid to persons (other than donors and related parties) needed in connection with obtaining services to carry out the mission of the program. However, federal law prohibits 12oz of Hope from offering any express or implied assurance of employment or compensation in connection with any contribution to establish a program at 12oz of Hope.

Any offer (either as an employee or independent contractor) that 12oz of Hope may extend shall result in an "at will" relationship, which means either party may terminate the relationship at any time, with or without "cause." No person has any right or entitlement to income from funds or property contributed to 12oz of Hope.

12oz of Hope will not consider proposals for employment or compensation until 12oz of Hope has allocated sufficient funds to your program. You are not permitted to represent or even imply to any third party that you have power to enter into any compensatory agreement. As noted above, only 12oz of Hope can do so. Do not suggest, even orally, that you will compensate a worker. 12oz of Hope shall not be liable for any agreements, formal or informal, written or oral, you may have made with someone who wishes to work on behalf of your program. This is a violation of this Agreement. As noted above, you must indemnify 12oz of Hope against liability resulting from this violation, including, but not limited to, any claims for compensation.

12oz of Hope must approve in writing the proposed compensation of any person before it will honor any request to provide compensation. It is 12oz of Hope (not your program) that makes the decision in its sole and absolute discretion. As part of this review, 12oz of Hope will consider the funds allocated by 12oz of Hope to your program, as well as, *inter alia*, the need for the services, rate of compensation, and qualifications of the person to provide the services. Please make sure you do not make any representation or statement to any third party that is inconsistent with this policy.

Before any compensation to any employee may be approved, 12oz of Hope must be provided all 12oz of Hope pre-approved and signed employment agreements and completed IRS tax withholding and other necessary forms.

Nondiscrimination Policy

12oz of Hope has a commitment to nondiscrimination in employment because of race, color, sex, sexual orientation, gender identity, religion, age, ancestry, national or ethnic origin, marital status, disability, veteran or draft status. By signing this document you agree never to discriminate within your program in regard to employment proposals, the community to be benefitted, or the beneficiaries of the program.

Foreign Donation Policy

12oz of Hope is devoted to supporting qualified charitable programs across the United States and throughout the world. 12oz of Hope complies with all federal rules and regulations regarding

donations to foreign charities. On September 29, 2006 the US Treasury Department updated the Anti Terrorist Financing Guidelines for the charitable sector. In order to abide by these guidelines, we have established procedures for issuing donations to foreign charities. The guidelines must be followed to send funds to a verified foreign charity. Please see our Foreign Donation Policy for additional information.

Web and Print Publications

All print and Internet-based design and content ("materials") to be used by your program in connection with fundraising or other purposes are subject to review by 12oz of Hope. All materials must disclose that your program is a project of 12oz of Hope by stating the following: "The '*Name of your Program*' is a Group Member of 12oz of Hope – an IRS 501(c) (3) public charity." Your 12oz of Hope program website and its content may be reviewed to ensure compliance.

12oz of Hope Fee Schedule

For Programs carrying monthly balances of:

Less than \$50,000 – 10% administrative fee; 4 disbursements per month

\$50,000 - \$100,000 – 5% administrative fee; 4 disbursements per month

Over \$100,000 – 5% administrative fee; 8 disbursements per month

In any given month, should a Program desire to make more than the allotted disbursements (four or eight), the Program can do so at the rate of \$25.00 per additional disbursement request.

Programs carrying monthly balances of \$50,000 or more can opt for a 10% administrative fee and realize unlimited disbursement requests each month.

Non-cash gifts in excess of \$500 – 10% administrative fee of fair market value

Additional fees may be incurred with certain processing or delivery options (rush processing, FedEx delivery of checks, etc.). Fees subject to change.

Annual Renewal

12oz of Hope Group Members whose total donation income is less than \$2000.00 in the preceding year will be charged a \$200.00 annual administration fee.

Charitable Giving Receipts:

Each 12oz of Hope Group Member is responsible for issuing charitable giving receipts for donations received. However, if preferred, Group Members can request that the 12oz of Hope home office issue said receipts. \$500.00 per year will be charged to the Group Member for this service.

Scholarships and Grants

Other than specifically authorized officers and employees of 12oz of Hope, no other person is authorized or permitted to award any scholarships or grants from the funds allocated to any program at 12oz of Hope or make any decisions in connection with awards or grants. You may make recommendations as to scholarship / grant recipients, but only 12oz of Hope can make the final decision and issue the funds. You must make it clear to potential scholarship/grant/aid recipients that only 12oz of Hope has the authority to award any proposed scholarship or grant—and then only to the

extent of available funds allocated to your program at 12oz of Hope (and not the general assets of 12oz of Hope). Furthermore, you understand that the commitment may be terminable at the sole discretion of 12oz of Hope. Please contact 12oz of Hope for additional information.

Fund Raising and Fund Raising Events

12oz of Hope encourages you to share with us your ideas for fund raising. We encourage creativity and wish to help you to be successful. We have experience to help you assess the best way to raise funds for your program. You are required to submit in writing any fund raising plan you wish to follow. We will review it and make sure it is consistent with state and federal laws and the image and values of 12oz of Hope. We reserve the right to approve in advance your fund raising plan for this reason. This is true both with regard to fund raising plans generally and with regard to specific fund raising events, e.g., galas, dinners, golf tournaments, auctions, etc. We require that the Fund Raising Event Approval Form be submitted to 12oz of Hope at least 30 days in advance of the event. Federal, state, and local laws apply to fundraising. For example, under federal law, lotteries (also known as "raffles") are generally prohibited. However, federal law provides a limited exception if the "charity raffle" is permitted by state law and is conducted in a certain way. There are state and local laws that pertain to insurance and certificates of occupancy for facilities where events are to be held. Moreover, 12oz of Hope must determine if a special insurance rider is needed. We want to help you make the event a success - which starts with making sure applicable laws have been observed.

12oz of Hope will review proposed fund raising events on a case-by-case basis. You must confirm in writing that you understand the rules and regulations that govern the fundraising event you wish to conduct. Please contact 12oz of Hope for additional information and rules.

Additionally, certain states require 12oz of Hope and your program to advise the public that a copy of 12oz of Hope's Financial Report is available to them. Please see the State Fundraising and Solicitation Guidelines for a list of states that require 12oz of Hope to follow this regulation.

Termination

If these policies are not followed, 12oz of Hope reserves the right to sever its relationship with you and to terminate the program. The ownership, custody and control of any donated funds and property are fully relinquished to 12oz of Hope as its unrestricted assets at the time the donation is made. All investments and disbursements from 12oz of Hope programs are solely the responsibility of 12oz of Hope and the decision of its Board of Directors is final. Additionally, the 12oz of Hope Board of Directors retains the right to dissolve your program if it no longer operates in accordance with 12oz of Hope's policies and applicable federal tax law.

If you choose to dissolve this partnership, you may do so at any time. The ownership, custody and control of any donated funds and property are fully relinquished to 12oz of Hope as its unrestricted assets at the time the donation is made. All investments and disbursements from 12oz of Hope programs are solely the responsibility of 12oz of Hope and the decision of its Board of Directors is final.

Your signature below verifies that you have read, understand, and will comply with the terms and conditions of this Agreement.

Program Manager Signature: _____

Print Name: _____ Date: _____

Office Use only

Approved/Disapproved

Doug Clark, Director 12oz of Hope

Date